

PERU: COCAINE, TERRORISM AND CORRUPTION

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Sixty per cent of the world's coca is grown in Peru. Most of this is converted by the Peruvian farmers (*campesinos*) into washed basic cocaine paste (70–90 per cent pure cocaine content) and exported to Columbia where the drug cartels (now primarily the Cali cartel) refine it in their laboratories and export the pure cocaine powder throughout the world. On the streets of Europe and the United States, diluted to 50–60 per cent purity with talcum, bleach etc, it sells for about \$100 per gram, of which about 40 cents goes to the *campesino* for his paste, and the other \$99.60 to financing crime and corruption in the producing, transiting and consuming countries.

Since 1987, some of this has been used to finance Peru's terrorist movement, *Sendero Luminoso* (SL – the Shining Path), which was, in its day, the most vicious terrorist movement in the world. SL's war has caused the death of 28,000 people in Peru since 1980, reaching more than 3000 in each year from 1989 until 1992, when SL was hit by a brilliant intelligence operation resulting in the capture of its leader and founder, Abimael Guzman. In 1994, the number of deaths fell to 646. SL had a particular appeal to Peru's large Amerindian population and to frustrated *mestizos* (of mixed blood), amongst whom Guzman built up a well-organized base of cadres in the villages and shanty towns before embarking on his armed struggle.

This article examines SL's foundation and operations and the development of contending government strategies – known by the Peruvians as the 'French school' and the 'British school'. It focuses especially on the ultimate battle-winning factor – intelligence.

The foundation of the Shining Path

Peru has a population of 22 million of whom 15 per cent are of predominantly European (Spanish) stock, 37 per cent *mestizos* and 45 per cent Quechua Indians – the proud descendants of the Incas who for a hundred years controlled an empire of nine million people, extending down the length of the Andes mountains, until the Spanish colonists ousted them in 1532. The Spanish created a three-tier society which continued in the same form after Peru became an independent republic in 1824. The *mestizos* became, to use a military analogy, a body of 'sergeants' for the Spanish 'officers'. They were taught Spanish and regarded themselves as Peruvian rather than Indian. The Quechua Indians were not taught Spanish and were kept in subjection, as *campesinos* and later in shanty towns (*pueblos jóvenes*) which grew up around

Lima.¹ These shanty towns are of a much higher standard than most others in Latin America, reflecting the Inca traditions of communal action. The *campesinos* usually migrate in well-organized groups from a coherent rural community, forming a committee that allocates family building plots, arranges the baking of bricks to build permanent housing and creates a means of livelihood through an 'informal economy' of workshops, markets, battered trucks, cars and buses; they provide, for example, 90 per cent of Lima's public transport.²

Like many Latin American republics, Peru has alternated between civil and military rule. In this century, it has been governed by *juntas* in 1930–39, 1962–63 and 1968–80 – the last having a radical 'national socialist' philosophy which had a disastrous effect on Peru's economy. When they restored an elected presidency, inflation became even worse under Presidents Belaunde (1980–85) and Garcia (1985–90).

It was against this background that Dr Abimael Guzman, a philosophy professor at the University of San Cristobel de Huamunga in Ayacucho, founded his extreme Maoist revolutionary movement *Sendero Luminoso*. Ayacucho is in the heart of the original Inca Andean highlands and, from 1962 onwards, he inspired his students, mainly *mestizos*, to return to their villages and towns – often as teachers – and to build revolutionary cadres amongst fellow *mestizos* and Quechua *campesinos*. Guzman based much of his appeal on the thirst of the *campesinos* for education to climb out of their subservience. He rejected all the traditional Marxist philosophies – orthodox Soviet, 'revisionist' Chinese and Castro Communism – and shunned the Guevarist image of a guerilla in fatigues with a gun. His most popular poster showed him as a besuited, bespectacled professor carrying a book.

He visualized a fifty-year revolution based on Mao Zedong's protracted war in five phases:

1. Agitation and propaganda
2. Sabotage and the first guerilla actions
3. Generalization of the guerilla war
4. Establishing support bases and liberated areas
5. Civil war, with the guerillas controlling the countryside around the towns, in which armed uprisings would overthrow the government.

He spent 18 years (1962–80) on Phase 1, building up his cadres in the villages, with his teachers educating the children for their future role in the revolution. During this time, he began to suffer from a painful skin disease, psoriasis, and from the late 1970s he increasingly directed his campaign from Lima.

Phase 2 began in a very small way, only seven people being killed in 1980 and 1981, but thereafter SL grew rapidly and spread terror through extremes of cruelty seldom seen anywhere else in the world. Their primary targets were local government officials and any *campesinos* who cooperated with them, especially the *Rondas Campesinas* (RCs), a vigilante organization for collective defence against banditry. Those who resisted were publicly tortured and

¹ Carlos Degregori, 'How Difficult it is to be God' in *Critique of Anthropology* (London: Sage, 1991), 11(3), p. 236.

² Hernando de Soto, *The Other Path* (London: Taurus, 1989), pp. 61 and 94–5.

executed. Deaths rose to 170 in 1982³ and thereafter escalated to an average of 3000 a year until 1992.

Up until the end of 1982, President Belaunde did not take the threat seriously, regarding it as within the capacity of the police to handle. He had steadfastly refused to allow the armed forces to take any part, presumably for fear of facilitating another military coup. On 29 December 1982, however, he declared a state of emergency in the three worst affected departments, Ayacucho, Huancavelica and Apurimac, and deployed a thousand troops in the area. These were the first Emergency Military Zones (EMZs), which by the mid-1980s were to incorporate 60 per cent of the population of Peru. In the EMZs, the civil and police authorities were subordinate to the army general who became, in effect, a military governor of the zone.

In 1983 and 1984, SL spread their activities more widely in the rural areas and intensified their bombings in Lima. The total killings by the two sides totalled 2807 and 4319 respectively in these years. Then the military actions in the EMZs took increasing effect and the killings declined to 697 in 1987 (see Table 1 below). Between 5 and 10 per cent of those killed were members of the armed forces and the police (348 in 1989 and a peak of 455 in 1992).

Table 1 Numbers Killed in the Terrorist War in Peru

Year	Deaths	Year	Deaths
1980	3	1988	1986
1981	4	1989	3198
1982	170	1990	3452
1983	2807	1991	3180
1984	4319	1992	3101
1985	1359	1993	1692
1986	1286	1994	646
1987	697	Total	27,900

Source: Peruvian Government figures

On completion of President Belaunde's five-year term in 1985, Alan Garcia Perez, leader of the socialist-inclined APRA Party, was elected President at the age of 34. He was quickly at odds with the armed forces, which were developing a bad reputation for human rights violations, reaching a peak with the massacre of 259 prisoners in quelling two prison riots in 1986.⁴ At the same time, however, the security situation was such that he had no option but to back the army in its war against SL.

³ *Annual of Power and Conflict (APC)* (London: Institute for the Study of Conflict, 1980-81 and 1981-82).

⁴ Simon Strong, *Shining Path* (London: Harper-Collins, 1982), p. 155.

Guzman turns to coca for finance

By 1987 the army in the EMZs had made considerable inroads into SL's logistic organization, which was still based in the southern highlands. SL therefore opened a new front in the upper reaches of the Amazon basin in the Huallaga Valley. Here, the area planted with coca had increased from 1000 hectares in 1975 to over 100,000, with more than 200,000 families growing coca. SL signalled their arrival in May 1987 with an attack by 200 armed men on a police post, killing 15 policemen.

Initially, they levied a 5 per cent 'revolutionary tax' on the coca paste sold by the *campesinos* to the traffickers who exported it to Columbia. At a conservative estimate, this may have yielded about \$30 million a year.⁵ This was later supplemented by the drug barons paying a facilitation fee of \$10,000 to \$15,000 for providing an airstrip for each takeoff by an aircraft carrying coca paste out of the Valley.

In April 1989, General Alberto Arciniega took command of the army in the Huallaga Valley and, from the start, took a completely new line. He knew that the coca growers amounted to 80 per cent of the population of the Valley, and deeply resented the harassment they were receiving from three quarters: from crop eradication teams organized and financed by the US Drug Enforcement Administration (DEA); from SL, who extorted money from them and tried to enforce their alternative government at gunpoint; and from the army and the police, from whom they feared torture, disappearance or death if they cooperated with SL.

On his first day in the Valley, Arciniega assembled the population of the small town of Uchiza and made it quite clear that all his efforts would go to eradicating SL from the Valley and that he would not interfere with their production and export of coca paste.⁶

As a result, he received unprecedented popular support, which yielded the intelligence which is the only means whereby a regular army can make contact with a guerilla army in the jungle. In his seven-month tour of duty, he claimed to have inflicted 1100 casualties.

Arciniega's success story soon got around the army and others copied his methods, many of them resenting the way the United States criticized Peru's toleration of cocaine production when they were failing to take effective action against their own consumers at home.

President Garcia's five-year term ended in 1990. Peru's constitution at that time barred the retiring President from standing for a second term (though this has now been changed). The two main parties, Belaunde's AP and Garcia's APRA, had both been discredited in the ten years 1980-90, with widespread public unease about corruption and incompetence, and in 1990 the voters rejected them both and elected Alberto Fujimori, who stood for an entirely new party.

Garcia's presidency was economically disastrous. As with the 'national

⁵ Enrique Obando, 'Subversion and Anti-Subversion in Peru' in *Low Intensity Conflict and Law Enforcement*, vol. 2(2), London, Autumn 1993, p. 233.

⁶ Jose E. Gonzales, 'Guerrillas and Coca in the Upper Huallaga Valley' in David Scott Palmer (ed), *Shining Path of Peru* (London: Hurst, 1992), pp. 113-18.

socialist' military regime of 1968-80, his state intervention caused massive inflation which reached 7000 per cent when he handed over in 1990. His record in the war against SL was a mixed one. By backing commanders like General Arciniega who turned a blind eye to coca production, he had in some places secured better relations between the army and the population. This, however, had been negated by accusations of abuse of human rights, of which the prison massacres of 1986 were a glaring example. On the other hand the public, both in Lima and the countryside, were well aware that human rights violations by SL - torture, kidnap, public executions and massacres - were a lot worse.

Although the number killed in the terrorist war fell from a peak of 4319 in 1984 to 697 in 1987, it rose again to 3198 in 1989 and 3452 in 1990. More important, SL had expanded its area of activity; it had secured an ample source of funding from the drug traffickers; and its political and military organization had reached its full maturity. There was, in fact, a very real threat of SL causing a total collapse of government and having in place a structure capable of taking power.

Alternative strategies - the French and British schools

The Presidential election of 1990 was won by Alberto Fujimori, a businessman of Japanese descent, who had formed a new party, Change 90; he comfortably won the run-off against the AP coalition candidate with 63 per cent of the vote. Unfortunately for him, however, in the Congressional elections, held on 8 April before Change 90 had got fully into its stride, his party won only 16 per cent of the seats in the Lower House and 19 per cent in the Senate. Fujimori therefore took office, on 28 July, in face of an overwhelmingly hostile Congress, dominated by bitter and angry AP and APRA members.

During the Presidential election, there had been much mud-slinging at Fujimori and he was at one time at risk of being declared ineligible to stand on account of some property deals that were against the law. The challenge was handled by his lawyer, Vladimiro Montesinos, who managed to get the case settled satisfactorily. When Fujimori took power he appointed Montesinos as Head of the National Intelligence Service (SIN); he was also a close adviser to the President on other matters.

There had always been a strong French influence in the army. Senior officers admired the French use of the army in 'civic action' through its *cinquième* bureau, as developed in Algeria, and this was reflected in the dominance of the generals over their police and civil counterparts in the Emergency Military Zones in Peru. The idea was that the army would come closer to the people by taking responsibility for rural development and administration. The French army in Algeria offered security, which was what the villagers wanted most of all. The Algerian revolutionaries, however, were willing to suffer and inflict unlimited suffering, to terrorize the people by torture and murder and so deter them from cooperating with the French. The French generals responded with similar torture and claimed justification for doing so. They thereby won the immediate battles both in the city of Algiers and in the countryside. The ultimate price, however, was that they alienated the population and lost the war.

By 1991 this philosophy – the ‘French school’ – was being questioned in Peru, with growing concern about human rights and corruption, while both terrorism and drug trafficking continued to thrive. Many strategic thinkers, both political and military, were advocating the ‘British school’ as exemplified by the British success in Malaya, where the aim had been to build up the strength and prestige of the local government officials, with the army and police supporting but not controlling them, since the eventual resolution of the conflict must leave an effective civil government securely installed with the experience to command respect. Above all, the British philosophy had been to secure the cooperation of the people in acquiring intelligence, the decisive ingredient for victory. This was achieved by identifying people who, willingly or unwillingly, were working for the terrorists, and they were offered incentives to cooperate in giving information. This information was a mixture of routine background intelligence (e.g. who lived where and who talked to whom) against which precise intelligence enabled terrorists or their supporters to be pinpointed. Torture, morality aside, would have been counter-productive; even if it had induced the victim to give information about the past or present, it would certainly not have secured future cooperation to enable the security forces to arrest or ambush the terrorists.

In Peru, it proved to be the application of this ‘British school’ of philosophy which led to the arrest of Abimael Guzman in 1992 and, through incentives offered under the Repentance Law, the rapid decline of the Shining Path thereafter.

The capture of Abimael Guzman

For a variety of reasons, Guzman had decided to shift his focus to Lima: first, his assessment that the time was ripe to move into Phase 5 of his revolutionary plan; second, his desire to seek relief from his skin complaint, psoriasis; and third, because his second-in-command and mistress, Elena Iparraguire, was urging him to bring the revolution to its triumph in Lima while he was still young enough to enjoy power.⁷ But the net was beginning to close in on him. In June 1990, the police raided a house in Monterrico, a middle-class suburb of Lima, where they suspected that Guzman had been living. Guzman had, in fact, left the house a short time earlier, but the police found a video tape, recording a party with some of his friends. It showed him dancing with Elena Iparraguire to the music of *Zorba the Greek*. In the background were a number of recognizable friends including a former nun called Nelly Evans. This was the start of a classic police intelligence operation which led to his capture in 1992.

Nelly Evans came from a rich family, had a British grandfather and carried a British passport. She had entered the order of the Sisters of the Immaculate Heart of Mary and became captivated by the ideas of liberation theology. She left the order and became increasingly involved with SL. The police came to suspect that she might be the movement’s accountant, and her friendship with

⁷ Strong *op. cit.* pp. xvi–xvii, and Nicholas Shakespeare, ‘Guzman Found’ in the *Daily Telegraph Magazine*, 22 January 1994.

Guzman was confirmed by the video. The police therefore stepped up surveillance of her.

Six months later, one day in January 1991, she became aware that the police were following her. By that time Guzman was indeed living in her house. She deliberately diverted her route and played for time, knowing that Guzman would guess why and leave the house, which he did. When she arrived home the police followed her in and found evidence of Guzman's recent presence. She was arrested and remains in prison but, once again, they had missed Guzman.

They then turned their attention to others believed to be friends of Nelly Evans amongst the radical chic community in Lima. One of these was her niece, a ballet dancer called Maritza Garrido Lecca. Maritza, born in 1965, was the youngest of a large well-to-do Catholic family: she had herself at one time wanted to be a missionary among the *campesinos*, but she developed exceptional talent as a dancer at school and embarked on the disciplined life of a ballerina. After a visit to Cuba in May 1986, she began work for SL, initially on open-front tasks such as distributing leaflets. She began to perform in propaganda ballets and to teach contemporary dance in the *pueblos jóvenes*. Then she moved in to live with her aunt, Nelly Evans, and their relationship was noted by the police. Later she took a second husband, an architect called Carlos Inchaustegui, who was also involved with SL. They set up house in another middle-class suburb, at 459 Callo Uno, Los Sauces, in which she converted the ground floor into a studio for teaching contemporary dance. Upstairs were a number of rooms, in which she accommodated Abimael Guzman, Elena Iparraguire and two other women who were members of his Central Committee staff. In all, there were six people living in the house. Unusually for such a substantial house in a prosperous suburb, there was no telephone. All calls were made from public call boxes to avoid the risk of telephone tapping.

In November 1991, a new commander was appointed to DINCOTE, the police anti-terrorist intelligence service, General Antonio Ketin Vidal. Vidal was a dedicated professional police officer. He took command of DINCOTE a few months after the arrest of Nelly Evans and his prime task was, of course, the capture of Guzman. This became increasingly urgent in the summer of 1992. Businessmen and the middle classes had become increasingly alarmed by giant bombings in the business district of Lima and confidence in the army had been eroded by accusations of corruption and violation of civil rights, giving rise to a real fear that the government might collapse. There were fears that such a collapse would be accompanied by a military coup or possibly by an SL seizure of power like those in Cuba in 1959 and Nicaragua in 1978. Vidal realized that it was vitally important that Guzman's prestige should not be further reinforced by another police raid which failed to catch him.⁸

⁸ This account is based on interviews by the author in Lima with General Vidal on 6 December 1991, 27 January 1994 and 4 February 1994; also with his successor, General Dominguez, in London on 13 July 1993 and again in Lima on 26 January 1994. These interviews were supplemented from John Simpson, *In the Forests of the Night* (London: Hutchinson, 1993) and Nicholas Shakespeare, *op. cit.* 'Guzman Found', and an interview with Nicholas Shakespeare on 18 December 1993.

He therefore decided to rely on a patient and unobtrusive intelligence operation to detect for certain where Guzman was and to ensure that he was there at the time the raid went in. Vidal decided to keep the entire operation on a strictly need-to-know basis and, in particular, not to give any details of his progress to his superiors. He was sure that, with a mixture of impatience, a desire to take a share of the credit and to make the most of the publicity splash, some of them would try to rush the pace and prejudice the final and most delicate stages of the operation.⁹

Because of Maritza's link with Nelly Evans, Vidal had been discreetly watching her house for several months before he decided on the moment to raid it. He had sent some of his police agents to obtain jobs as gardeners in a nearby park, and as street cleaners and refuse collectors, as well as detailing others to shadow Maritza whenever she left the house. The absence of a telephone aroused their suspicion and they also noticed that the curtains of the upstairs rooms were kept permanently drawn, day and night. They observed that Maritza was buying much larger quantities of food and drink than would be consumed by two people, yet no one other than herself and her husband, and the young dance students who went in and out of the ground floor studio, was ever seen to enter or leave the house. They also saw her buy shirts and sweaters for a big fat man, as Guzman was, whereas her husband was small and slim. But it was the rubbish bin which finally convinced Vidal that Guzman was there, for the rubbish included empty packets of Kenacort-E cream for the treatment of psoriasis. Vidal mounted his raid on Saturday 12 September 1992 four days after the rubbish was spotted.

Deliberately or otherwise, Vidal picked a time when nearly all the hierarchy above him would be at a party – a reception for a visiting British Cabinet Minister, Kenneth Clarke – at the Residence of the British Ambassador. In retrospect it became clear that none of those at the party had any idea that there was an important operation in progress. Fujimori himself was away on a fishing trip.

Vidal's surveillance that evening confirmed that the occupants of the suite upstairs were still at home, with the lights on. Vidal, in plain clothes, parked in a small unmarked car in a side street from which he could watch.

At this point they had a piece of luck; one of Maritza's uncles, Celso Garrido Lecca, Peru's most distinguished composer, was planning with his partner, Patricia Awapara, to produce a ballet of *Antigone*, for which he had written a score. Celso was himself a fashionable Marxist, though not connected with SL and unaware of his niece's involvement. The ballet was to have an allegorical message about military repression in Peru and Maritza had enthusiastically agreed to dance the title role. On an impulse, Celso and Patricia decided to go and discuss the ballet with Maritza. At 8 pm they parked their car and knocked on the door to see if she was at home. Maritza was not expecting

⁹ The Andean Commission of Jurists *Andean Newsletter* (ACJANL) no. 91, June 1994, p. 5, reported that a further pointer to the involvement of Maritza and Inchaustegui was given in August 1992 by Luis Alberto Arana Franco, alleged to have been the SL logistic chief, who had been arrested in June 1992. After the Repentance Law was passed in August 1992, Arana was said to have given a tip-off that these two were responsible for the security of 'an important SL leader'. Arana was later freed in a safe area with a new identity. If this story is true, the Repentance Law may have played a part in Guzman's capture.

visitors and she took some time to come down. They were about to leave when she came to the door and called out to ask who was there. Recognizing her uncle's voice, she opened the door and let them into the dance studio where they talked about *Antigone* for half an hour. The police raiding force were ready, disguised as cleaners and as a courting couple in an adjacent cafe, and when the door was opened to let out the visitors they pounced. Pinning Celso, Patricia and Maritza to the studio floor they burst into the upstairs rooms and arrested all the four people there, including Guzman, who was watching television. None was armed and the only shot fired was when Elena Iparraguirre, the only one to resist, was beating her fists against the leading policeman. She hit his gun, which fired accidentally and grazed one of his fellow policemen.

A few minutes later they were joined by General Vidal, who addressed Guzman courteously and shook his hand. Guzman, who was clearly expecting to be summarily shot, responded equally courteously, saying that even if they killed him they could not kill his ideas, which had now spread throughout the country, and that the revolution would prevail. But the interrogation had begun on a civilized note and continued in that atmosphere in the car and back in Vidal's office.

From there, Vidal had the arrest reported to the broadcasting stations, so it went out publicly before his superiors were aware of it. Vidal feared that, if the authorities knew first, they might have Guzman shot before the news became public. Vidal was convinced that far more value would be gained from Guzman alive, and subsequent events have confirmed this. Vidal also, with a respect for the law, did not wish to be party to a summary execution without trial.

Vidal was decorated and given a reward, which he gave to charity, and he was promoted to higher rank, with responsibility for police personnel and training. The cynics commented that, in a society like that of Peru, there were people who had reason to fear what a first class and embarrassingly honest police intelligence chief might unearth.

The Repentance Law

In the immediate wake of Guzman's capture, another two hundred SL leaders were captured, some with the aid of intelligence gained from documents found in Guzman's headquarters. Following this, a measure which had been introduced on the recommendation of General Vidal in May 1992 – the Repentance Law – began to take a dramatic effect. This law was derived from laws and procedures which had originally been devised by the British in Malaya in the 1950s.¹⁰ Captured or surrendered terrorists or supporters were 'turned' – that is, in exchange for cooperation in the war against the terrorists they were promised leniency, generous rewards, protection and, if they wished, a new identity. This went further than the age-old practices of leniency or plea-bargaining offered by most judiciaries to criminals who give 'state's

¹⁰ Richard Clutterbuck's, *Riot and Revolution in Singapore and Malaya* (London: Faber, 1973), pp. 221-3 and pp. 253-5, and his *The Long Long War* (London: Cassell, 1967), pp. 95-111 give full accounts of the Malayan experience.

evidence'; it asked for positive cooperation in the war and gave much higher rewards. The Italians followed a similar technique in the war against the Red Brigades in 1991-3 and then applied it equally successfully against the Mafia.¹¹ General Vidal had been most interested to learn about this experience in 1991.

Under the Peruvian Repentance Law, SL members and supporters who gave information of particular value in identifying terrorists or their whereabouts and eroding the terrorist organization were able not only to get reduced sentences (usually half or one-third) or sometimes a full pardon without going to trial at all, they were also guaranteed secrecy and protection. Moreover, if they were judged to have earned it, they and their families were also supplied with new identities, in a different area or country, with the financial resources to start a new life. The rewards for really good inside information could be very large, but would cost far less than, say, an extra helicopter and would be much more cost effective.

One of Fujimori's most courageous and successful measures was the arming of the village defence forces, the *Rondas Campesinas* (RCs). This did not result in a leakage of weapons to the terrorists (in contrast to the experience with the Popular Forces in Vietnamese villages in the 1960s). This was because the RCs greatly valued their weapons as a deterrent to thieves as well as for defence against terrorists. By early 1992 there were 526 villages with armed RCs and another 1117 had applied for arms.¹² Another dividend was that – particularly after the capture of Guzman – the RCs provided a useful source of intelligence for the army and police, once they had become confident that SL were on the way to defeat.

The best intelligence of all, however, came from the surrendered terrorists themselves, again reflecting British experience.¹³ By August 1993, four hundred terrorists had surrendered under the Repentance Law¹⁴ and the numbers escalated fast. It was announced on 2 June 1994 that 3095 SL terrorists had surrendered in the previous two years.¹⁵ The annual number of people killed in the war fell from 3101 in 1992 to 1692 in 1993 and 646 in 1994.

Abimael Guzman was sentenced to life imprisonment. He retained his revolutionary aims but he declared that the phase of the world revolution which began in 1848 had come to an end with the collapse of Communism in Russia and East Europe in 1989 and that the time had come to suspend the armed struggle in Peru. After making a number of television statements to this effect, and writing three letters to President Fujimori, he submitted a long paper of some 6000 words which was published in the press; in this, he analysed the previous 150 years and the coming 50 years and explained how the revolution would eventually triumph if there were now a period of peace.

His view was accepted by most of the *Senderistas* in prison and a proportion of those still at large, increasing numbers of whom came in to surrender. Some

¹¹ Alison Jamieson, *Collaboration: New Legal and Judicial Procedures for Countering Terrorism*, Conflict Studies no. 257, (London: RISCT, 1993) and Richard Clutterbuck, *Terrorism, Drugs and Crime in Europe after 1992* (London and New York: Routledge, 1990), pp. 40-5.

¹² Obando, *op. cit.* 'Subversion'.

¹³ Clutterbuck, *Riot and Revolution*, *op. cit.*, pp. 181-3.

¹⁴ ACJANL, no. 81, August 1993.

¹⁵ Author's visit to the Huallaga Valley, 28-29 January 1994.

militant groups, however, carried on their campaign of bombing and assassination. Known as *Red Sendero*, these were under the leadership of Oscar Ramirez Durand, who used the war-name 'Feliciano'.

This split, and Guzman's readiness to discourage his followers from continued violence, can be largely attributed to the way he was treated on his first capture by General Vidal. Thereafter the decision to continue the dialogue with him with a view to saving bloodshed proved far more beneficial than torturing and executing him, which would have made him a martyr and achieved nothing. By 1994 it was clear that Guzman's pronouncements from his prison cell were the biggest single factor in dismantling the Shining Path.

President Fujimori

On the political stage, meanwhile, Fujimori's most immediate concern on taking office had been to tackle the country's economic troubles, including the 7000 per cent inflation bequeathed by Alan Garcia. He chose Dr Carlos Bolona, a brilliant young businessman who had got his doctorate at Oxford, as his Finance Minister. Inflation was brought down to 56 per cent by 1993 and business confidence was rapidly restored.

Fujimori, however, was frustrated by blocking tactics in Congress, and by the ineffectiveness and corruption of the judiciary. To be fair, the judges suffered constant intimidation and many were murdered if they refused to bow to the combination of threats and bribes. To borrow a phrase coined in Colombia, they were offered the choice between silver and lead. As a result, less than 10 per cent of terrorist cases had been coming to trial at all, the judges having ruled that there was 'insufficient evidence to proceed'. In those that did come to trial, there were many perverse acquittals.

On 5 April 1992, with the support of the army, Fujimori dissolved the Congress, suspended the judiciary in a 'self coup' (*autogolpe*) and ruled by decree, pending fresh elections based on a new constitution. The result of this coup was a surge in Fujimori's popularity. The public as a whole, and especially the poorer sections of it, shared his exasperation with the corruption and incompetence of the country's administration and with the traditional parties, the Congress and the judiciary.

Fujimori temporarily replaced the judges by military courts and when, in 1993, the civilian judiciary was restored, judges and witnesses sat behind one-way glass so that neither the accused nor the public could see their faces.

In October 1993, Fujimori narrowly won a referendum, with 52 per cent of the vote, for a new constitution giving stronger powers to the President and removing the bar on the incumbent standing for reelection. A new Congress was elected which endorsed his Presidency as legitimate. Politically and economically the country seemed to be on the road to recovery.

Human rights and corruption

The war against SL was always a dirty war and will remain so as long as it lasts. The worst offenders were the terrorists but this does not excuse those

on the government side who accepted bribes or violated human rights, nor can the harm they did be undone.

The terrorists' control of the population rested on their reputation for ruthlessness in torturing, maiming and killing people who opposed them, or who openly collaborated with the government as local officials.

Many people who become terrorists are first involved in revolutionary movements as genuine idealists, motivated by compassion for the deprived and hatred of oppression. When the movement uses terrorism many such people leave it but others become brutalized and rationalize the killing. The ballerina Maritza who housed Guzman in Lima serves as an example.¹⁶

Of the average of just over 3000 people killed in the conflict in Peru every year from 1989 to 1992 about half were recorded as 'civilians' and the remainder were 300-400 soldiers and 1200 'terrorists', because the army and police class all those they kill as terrorists. To take the figures for 1992 as an example, government statistics showed 455 army and police and 1482 civilians killed by terrorists. There is no reason to doubt these figures and the public was well aware of the massacres carried out by SL. But the statistics also showed 1151 'terrorists' killed by the army and police in that year. While some hundreds of these undoubtedly were terrorists, many people in the villages and *pueblos jovenes* claimed to have seen with their own eyes that several hundreds of others were ordinary people whom the army merely regarded as SL sympathizers, willing or unwilling.

Some of these violations were proved beyond doubt. In 1985, 259 prisoners in Lurigancho and El Fronton prisons were killed in army operations to restore order after SL prisoners had taken a number of the prison staff hostage. It was generally accepted that, given the disparity in numbers and weapons, most of those who died were probably killed after they had surrendered. Another case was the murder of nine students and a professor at La Cantuta University, who 'disappeared' in July 1992. Following a tip-off from a dissident army officer, a group of journalists dug up the remains of the bodies including a severed head, and found a key which fitted the locker of one of the missing students.¹⁷ There was strong forensic and circumstantial evidence linking the incident to nine army officers who, in February 1994, were charged and tried in a military court. Two officers were sentenced to twenty years in prison and the others to terms of between one and five years. There was some public suspicion, however, that these had been made scapegoats for people much higher up and President Fujimori's popularity rating dropped to its lowest level since before the 1992 coup.¹⁸

Corruption is endemic in Peru, as it is in many other countries, rich and poor. In under-developed countries, this is almost inevitable in the context of their economies. The business and other middle classes who travel and deal with businessmen and officials from the countries which invest and trade in Peru expect, not surprisingly, to have a lifestyle comparable with that of people of similar status in North America and West European countries; they may feel that they would be humiliating Peru if they did not. On the other hand,

¹⁶ Shakespeare, 'Guzman', *op. cit.*, p. 24.

¹⁷ Enrique Obando, 'The Power of the Armed Forces' in *Peru Report*, August 1994, pp. 9-11.

¹⁸ ACJANL, no. 87, February 1994, p. 5.

the much lower Peruvian GNP per capita is reflected in the tax revenue so, for public servants at least, the government budget cannot afford this. Moreover, the administrative structure is not efficient enough to extract anything approaching the taxes which the law lays down. Businessmen can organize their companies to pay themselves and their staffs reasonably high salaries, and find ways of 'creative accounting' to avoid paying the taxes they should. This is not so easy for the public sector. The consequence is obvious.

At the other end of the scale, millions of *campesinos* live close to subsistence level and pay no taxes at all. And several million settlers in the *pueblos jóvenes* live by an informal economy. They provide Lima's transport and other services, but they keep no records or accounts and pay no taxes. The government has little option but to accept this, as otherwise many more would starve or be driven to crime and prostitution. And, of course, the bus and taxi corporations and many of the high street shopkeepers have been driven out of business so there is no tax revenue from them either.

One result of this is that the salaries the exchequer can afford to pay generals and colonels in the army and police are considerably less than those of secretaries and chauffeurs in the prosperous business sector, and only a small fraction of what the businessmen themselves can earn. A two-star general in 1993 was paid \$284 (£189) per month basic pay including benefits; he was also provided with a car, military chauffeur and steward. If he chose to forego the chauffeur and steward, he could in addition draw their wages of \$53 a month each (itself hardly a wage to inspire undying loyalty from the soldier in the ranks), raising the general's total receipts to \$400 (£277) per month.¹⁹ It is therefore not surprising if some resort to corruption.

Coca and the Peruvian economy

Peru has about 120,000 hectares under coca cultivation. For the *campesino*, coca is his most profitable crop – four times more than rubber and forty times more than maize. Labour-intensive processing on the farm produces washed basic cocaine paste (70–90 per cent cocaine) but the final refinement involves the use of ether which is volatile and, at a critical vapour percentage in the air, is liable to explode if there is a spark from a boot on a stone or from an electric light switch. Refining is therefore mostly done in specially equipped laboratories run by the cartels in Colombia, though the number of laboratories in Peru is now increasing.

The *campesino* sells the paste to a *traquatero* (trafficker) who sells it under contract to a Peruvian traffic baron, who arranges for it to be flown to Colombia. Up till 1994, the largest traffic organization in the Huallaga Valley was headed by Demetrio Chavez (war-name 'El Vaticano'). Until his arrest in January 1994, he was selling 60,000 kg of paste a year to the Cali cartel, out of a Peruvian total of 700,000 kg. The cartels paid the traffic barons about \$4000 per kg, so the flow of cocaine dollars into Peru was between \$2 billion and \$3 billion a year. This amounted to about 10 per cent of GDP, and almost as much as all Peru's legitimate exports (metals, fish-meal etc.) put together. Though

¹⁹ Obando, *Peru Report*, *op. cit.*, p. 9.

some went to the *campesinos*, 90 per cent of it went to criminals – the trafficking organizations – who used a lot of it to finance the terrorists and to bribe army officers, which did more harm than good to the economy.

Most of the paste was flown to Colombia in light aircraft, commonly carrying 300–400 kg. The pilot was paid about \$30 per kg, or \$9000–\$12,000 per flight. Even after paying the costs of his aircraft, he probably made more profit from a single flight than from all his legal salary in a full year.

Payments to SL and to corrupt army officers

In addition to paying the pilot, the traffic baron paid a ‘facilitation fee’ to whoever provided and protected the airstrip. In the Huallaga Valley in 1994, there were about 82 such airstrips, of which 14 were garrisoned by the army, another ten known and patrolled by the air force and 58 clandestine – a varying number, because on flat ground an airstrip for a light aircraft could be very quickly made.

The facilitation fee averaged \$15,000 per night landing. For this, the terrorists would prepare and secure a strip and undertake to protect it during landing, loading and takeoff. Alternatively, a corrupt army officer would take the fee to turn a blind eye to the use of an existing strip. It was estimated that up till 1993 the traffic barons paid about \$150 million a year in facilitation fees, of which \$75 million went to SL and \$75 million to bribing army officers.

A *commandante* (lieutenant-colonel) could sometimes receive the whole facilitation fee, with no costs for him to pay – \$15,000. His basic salary in 1994, with benefits, was about \$2400 a year, so \$15,000 could amount to about six years’ salary in a single night. More commonly, however, the fee would have to be shared out with others in the know; but in a six-month tour of duty in the Valley he could expect to be involved in quite a lot of flights. There were several flights out every night.

President Fujimori was elected in 1990 with a mandate to tackle corruption. (Was any President ever elected without claiming such a mandate?). Since the judiciary and the Congress contained many corrupt members, he was able to make little progress until he suspended both in his coup in April 1992. In 1993, 32 army officers were charged with corruption and other drug dealing offenses, of whom 13 were serving prison sentences by February 1994, when another 55 were named as under investigation.²⁰

This military corruption by the drug barons became a regular feature from 1987 onwards after a number of senior officers had adopted a policy of condoning the production and export of coca paste in order to secure the cooperation of the *campesinos* in defeating the SL terrorists.

It was a small step from this to corruption of junior officers and it was rumoured that some senior generals, officials and ministers were a party to this and rotated officers who were willing to cooperate, giving them short tours of duty in the coca areas with the expectation of earning enough to acquire comfortable houses in a safe residential area in Lima, to buy new cars and to build up a healthy bank balance for securing the future. Some of the

²⁰ Andean Commission of Jurists Drug Trafficking Update (ACJDTU), no. 46, p. 4.

ministers and senior army officers may have believed that there was no other way of getting people paid a pittance to take on the dangerous life of an army officer in this war at all. Junior officers who became corrupt were also thereafter vulnerable to coercion. They could not live or keep a family on their salaries, so they had two options: to supplement their income by 'moonlighting' – doing half a day's work for the army and a part-time job – or, more likely, using the opportunities inherent in the job for corruption. When on active service in the field, the moonlighting option was not available. Given this financial background, it is perhaps surprising that not all officers were corrupt.

Lessons from Peru

The experience of Peru illustrates the interplay between drug trafficking, corruption, terrorism, counter-insurgency and crime. Though cocaine paste exports bring billions of dollars into Peru each year, much of this is laundered and invested abroad or spent on imported luxury goods. Cocaine money has corrupted the political, judicial and military fabric of the country, distorted the economy and fuelled inflation. It has financed a particularly vicious terrorist movement but, after a bad start, Peru has shown how such movements can be defeated.

As in every conflict, criminal or political, intelligence was the key battle-winning factor. General Vidal's capture of Abimael Guzman was a classic example of a good intelligence operation. Overnight, it transformed the conflict from one the government was in serious danger of losing to one it became almost certain to win. It was accompanied by the Repentance Law, a measure whose success had been proved in Malaya and in Italy, against both terrorists and the Mafia. The result was an escalating flow of surrendered terrorists who can provide the best intelligence of all if handled wisely. Rewards, incentives and confidence in future protection and security were crucial in encouraging both surrendered terrorists and people in the towns and villages to take the risk of giving information. This was also one of the most important dividends from President Fujimori's bold decision to arm the *Rondas Campesinas* in the Andean villages.

The Peruvian experience underlined the need for a joint civil-police-military direction for this kind of war at national, provincial and district level. The military control in the EMZs was not ideal, but the weakness of the civil structure and leadership was probably such that the army was the only organization capable of taking charge.

The army paid a high price for its failure to curb the minority of officers who violated human rights, using disappearances, torture and murder in the hope of achieving success. The French proved in Indochina and Algeria that if the security forces act outside the law they will irrevocably alienate the population.

Peru has also illustrated the very difficult problem of eliminating corruption when the national exchequer cannot afford adequate salaries for public servants, especially army and police officers. When drug trafficking and organized crime make profits which totally eclipse the salaries which the state

can pay, corruption seems almost inevitable. Yet it can be as counterproductive as violation of human rights in alienating the population.

There is no easy solution to corruption. National Socialism in 1968–80 did not help. Nor did Belaunde, nor Garcia. Nor did communism, which Karl Marx sincerely believed would sweep away the inequities of feudalism and capitalism, but in practice, whether Stalinist, Trotskyist or Maoist, has created even greater privileges for its *nomenklatura* and even greater abuse of power, so that too is now discredited. Guzman, Augusta, Nelly Evans and Maritza all began, like Marx, as idealists – it was 18 years before Guzman's movement killed its first victim – but the atrocities which followed benefited no one. Nor will corruption be cured by pious scolding from the Western states whose addicts provide the money for it. Corruption is the symptom rather than the disease.

The disparity between the wealth of the *traquatero* barons and of public servants underlines the responsibility of the affluent consumer countries to cut the huge sums of money flowing from the drug users on their streets, 90 per cent of which is found from the fruits of their own crime and 99 per cent of which goes into international organized crime, mainly the multinational drug cartels which poison the economic, political and social life of the Andean countries. Ultimately the cure lies in cutting the demand, either by suppression or by bringing down the grossly inflated price of drugs on the streets by decriminalization, licensing or legalization.

If for no other reason than to reduce the sufferings of their own people from drug-related crime, as well as the damage they are doing to the people of the Third World, it is in the interest of the consumer countries to put their own houses in order.